

MEM BRIEFING

27 July 1955

INDONESIA

- I. In President Sukarno's absence, Vice President Hatta is conducting discussions with leaders of Indonesia's 20 parliamentary parties and factions *and hopes to appoint a* preliminary to appointing cabinet for *by Friday, 29 July.*
A. All cabinet, which resigned 24 July, continues in office as caretaker government.
- II. Formation of new cabinet is complicated by fact it must be acceptable to army.
A. Army leaders, who forced cabinet collapse, reportedly told all parties that formation of new cabinet will not in itself solve army crisis. *Simbolon - Sumatra commander*
B. Army is expected to press new government for guarantees on army policy--particularly with regard to organization and training, and for thorough understanding on limits of political influence in military establishment.
- III. Hatta and Sukarno are expected to work toward formation of regular parliamentary cabinet despite pressure from former opposition parties--led by Masjumi--for "presidential cabinet" appointed by president and responsible to parliament.
A. No clear indication yet who has inside track--Hatta known to be partial to Masjumi, but Sukarno would prefer a representative of some other party as new premier.

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IV. Cabinet formation in Indonesia is lengthy procedure.

- A. Formation of last four cabinets required from five to ten weeks.
- B. With elections close at hand--29 September--sharp bargaining may not seem essential, and matters may be speeded up.

V. *C. Hatta favors speedy formation of cabinet.*
If cabinet negotiations last month or more Indonesia's first national elections may be delayed.

- A. Indonesian government is highly centralized and during period of cabinet formation, all but most routine activity stops.
- B. Preparations for elections have not been completed.
- C. Moreover, Ali government, faced with prospect that a new cabinet will be in office at time of elections, will have little incentive for meeting present election deadline.
- D. Incoming regime will also probably wish to inspect electrical machinery before proceeding.